

✓BKK

October 28, 2005

**Marc E. Rousseau**  
Direct Line: (808) 521-9249  
Direct Fax: (808) 540-5050  
E-mail: mrousseau@cades.com

**VIA FAX & E-MAIL, AND HAND DELIVERY**

The Honorable Public Utilities Commission of the State of Hawaii  
Kekuannao`a Building, First Floor  
465 South King St.  
Honolulu, Hawaii 96813

Re: Order No. 22056; Docket No. 05-0002; Shell Oil Company's Request for  
Extension filed October 27, 2005

2005 OCT 28 P 2P  
PUBLIC UTILITIES  
COMMISSION  
FILED

Dear Public Utilities Commission:

The Hawaii Petroleum Marketers Association ("HPMA"), by and through its attorneys, Cades Schutte LLP, hereby supports Shell Oil Company's request for a 30-day extension to respond to the Commission's Order No. 22056 in the above referenced Docket.

Several of HPMA's members have voiced concerns about the November 1 deadline as they are still developing their proposals as to appropriate marketing margin class of trade benchmarks and ethanol blending requirement adjustment factors.

The margin adjustments to recognize the wholesale classes of trade as recommended by ICF Consulting, LLC ("ICF"), goes to the very heart of the economic survival of HPMA's members. As the Commission is aware, Act 242 provides jobbers or wholesale marketers such as members of HPMA without any assurance whatsoever that they will have sufficient margins available to them under the caps to continue operating their businesses. Even the Commission's paid consultant, ICF, made an in-depth investigation into the matter that lasted over four months but could not come up with a methodology that the Commission was willing to adopt.

HPMA is now being asked to come up with an acceptable methodology in roughly one month's time during which the caps have been extremely volatile. Needless to say, HPMA simply needs more time to analyze and develop its recommendations and proposals for the Commission. In addition, several members are still analyzing the costs they have and will incur in connection with ethanol blending such as upgrading tanks, dispensers, and delivery trucks; costs to convert inventories in tanks to an ethanol blend; costs of ethanol supply and whether it is manufactured in Hawaii or imported; and the costs of reformulated gasoline blendstock for oxygenate.

The Honorable Public Utilities Commission of the State of Hawaii  
October 28, 2005  
Page 2

Therefore, HPMA requests the Commission to grant HPMA a 30-day extension request to respond to Order No. 22056.

Very truly yours,

A handwritten signature in black ink, appearing to read "Marc E. Rousseau", with a long horizontal flourish extending to the right.

Marc E. Rousseau

for

CADES SCHUTTE

A Limited Liability Law Partnership

Cc: Hawaii Petroleum Marketers Association  
Attn: Mr. Robert Fung (via e-mail)  
Parties' Counsel (via e-mail)